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6. A report from Toungoo states that on 21 December 1950 at about 3:00 a.m. one unidentified aircraft dropped canned rations including condensed milk, and dried potatoes over Zayotgyi village. Three Europeans are reported to have been air-dropped in the same village where they were seen mixing with the KNDO troops.

10 January 1951

7. The price of wolfram has climbed to as high as 12,000 rupees per ton in Tavoy.

8. Rice growers at Maungdaw prefer to smuggle paddy into Pakistan, where it fetches a higher price, than to sell it locally.

9. Ansar Vahini is recruiting followers in Kayu Chaung in Pakistan. These men are being armed, given basic training near Kayu Chaung, and ultimately jungle training.

10. Armed pickets have been posted along the Pakistan bank of the Naaf River, while patrol parties are active both day and night in the same area. They are reported to be aiding those smuggling paddy from Burma to Pakistan.

11. It is reported from Maungdaw that the Mujahid leader, Boh KASIM, has released a number of persons whom he had been holding for aiding the government forces. The reason for this action is that Boh KASIM is apparently convinced that their aid was given under duress. Recently Boh KASIM has become increasingly active, threatening to attack Maungdaw, and forcing 20 youths per village to join his band. New recruits are being trained near Myin-hlut by deserters from the Pakistan Territorial Force.

11 January 1951

12. The suggestion by the American Consul General at Hong Kong that US citizens in Hong Kong should send their families back to the US has caused considerable uneasiness among Indian Merchants in Rangoon with business connections or offices in Hong Kong. Some Indian merchants have instructed their Hong Kong branches to curtail business and to divert their capital to India or some other safer place. Many anticipate war in the near future.

13. Smugglers are finding it both difficult and unprofitable to ship goods from Chiang Rai, Thailand to Kengtung, Burma. Recently they have been floating down their goods from Chiang Saen (99-00; 18-45) to Nam Hoke village (unlocated) or Tele village (98-11; 17-09) via the Mekong River and its tributaries, the Nam Hoke and the Nam Lin. Smuggling on a large scale, however, is carried on from Muang Fang in Thailand from where the goods are taken to Mong Pang State, south of Kengtung, and then finding their way to the Northern Shan States or Loilem and Taunggyi either by mule or by truck.

12 January 1951

14. As a result of a recent increase in the guards on both sides of the Thai-Burma border between Mae Sai and Tachilek Thai smugglers have abandoned this section and instead are now using the riverine route along the Mekong River to transport contraband from Chiang Sen across the Burma border to Mong Lin.

15. Among the pro-Communist members of the All Burma Indian Youth League are Miss Bela Mukherjee, Mr. Madhaven Nair, Mr. I.M. Madha, and Mr. Vijai Kumar.

13 January 1951

16. Preparations are being made by the Burma Corporation to resume operations in the Namtu and Bawdwin mines during the month of March 1951. It is however learned that as their lease will expire in March, the company has made an agreement with the Union Government to work the mine on a 50-50 basis between the Government and itself.

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Week ending 20 January 1951

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17. As a security measure Burmese nationals employed by the Viet Nam News Service (VNNS) in Rangoon are being replaced by Vietnamese. The services of a Burmese typist named Maung KYI MAUNG (aka Maung AUNG MYINT) have been dispensed with and his place has been taken by a Mr. Xom Bum Lotchai (aka Nguyen Van Hong) who recently arrived in Rangoon from Bangkok where he was employed by the VNNS.
18. On 18 January 1951 Tran Van Luan, the Viet Minh representative in Rangoon, and his staff celebrated the first anniversary of the establishment of Sino-Viet Minh relations. The Chinese Ambassador to Burma, YAO Chung-ming and his staff were the guests of honor at the function which was also attended by prominent officials of the China Democratic League. YAO Chung-ming stressed the importance of cordial Asiatic relations for the maintenance of peace in the Far East.
19. The Viet Nam News Service in Rangoon, whose staff has been augmented by new arrivals from Bangkok, will shortly issue two news bulletins weekly instead of only one. One of the newly arrived members is known to be Nguyen Theyen. Further transfers from Bangkok are expected.
20. While the question of MANGAL SEIN's continued residence in Burma remained unsettled he had made considerable headway in organizational work for the RSS, a terrorist organization of Indian origin. Besides successfully organizing several centres, he raised a sum of 1,500 rupees which he plans to send to Mr. Golwalkar, the head of the RSS in India.
21. According to a report from Akyab the Pakistan forces stationed on Shin-ma-pyu Island frequently visited Boh KASIM's camp in Maungdaw and also used to escort boats smuggling paddy from Maungdaw to Pakistan for a fee.
22. A report from the Thai border states that the current unofficial rate of exchange between Burmese and Thai currencies is 100 rupees to 300 bahts. According to Thai traders at Mae Sot the rate of exchange between Indian and Thai currencies is 100 Indian rupees to 250 bahts.
23. Recently a large number of Pakistani troops are reliably reported to have arrived at Chittagong from West Pakistan. Their movements and dispositions are being kept secret.
24. Information has been received that some local Pakistani nationals have managed successfully to get Indian passports from the Indian Embassy at Rangoon after declaring themselves Indian nationals at the Embassy. One such case is that of Ziaul Haque, an agent of the Bata Shoe Co., Rangoon who, though a Pakistani national, managed to get an Indian passport. This became known to the Indian Embassy, which cancelled his passport. Haque is reported to be in possession of a Pakistan passport, also.
25. A report from Akyab says that owing to the high price of Shan opium in Akyab, a lot of opium is being smuggled to Akyab from Rangoon by Chinese boats and launches.
26. M.M. Khin, Nooe Ah Mauk, Kholly Swedah Gaung, Abdul Khalik and Kholly Masada, the leaders of the Maungdaw Jamiat Ulema recently held a secret meeting at the residence of Kholly Swedah Gaung and decided that, since quite a large number of insurgents have surrendered and the insurgent activities have subsided as a result of these surrenders, thereby prejudicing the chances of attaining a separate Muslim State, attempts should be made to prevent further surrenders and to whip up insurgent activities and force the Union Government to declare Maungdaw and Ruthidaung areas a separate Muslim State.

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27. A reliable report says that in early December 1950 some Mujahids from southern Maingdaw crossed to Shin-ma-nyo Island in Pakistan where they robbed and assaulted villagers and merchants. They also removed some boats and sampans from the island.

28. AH Kaw, a Chinese and his follower KALA MAUNG MAUNG, a Burman Muslim from Kawkareik, who fled into Thailand when Government forces reoccupied Kawkareik, have been selling arms and ammunition to the insurgents. They are reported in Mae Sot where the Thai authorities are trying to deport them.

29. Burmese refugees at Mae Sot are worried by a report that the Thai authorities will no longer permit Burmese citizens to enter or remain in Thailand without a passport or other valid travel document.

30. Indians living in Mandalay are reported to be extremely skeptical of the Government's ability to hold a General Election in May 1951. They believe that the proposed election will again be postponed.

31. Some Anglo-Burmans and Anglo-Indians applying for Wireless Operators Proficiency certificates remarked on a noticeable increase in Sino-Burmese and Chinese applicants. They also believed that the examination results indicated favoritism.*

23 January 1951

32. It is reported from the Upper Chindwin that the Government of India has posted detachments of troops at strategic points along the Indo-Burma border as a result of the menacing dispositions of Chinese Communist forces in areas near that border.

24 January 1951

33. Boh KASIM and his gang fear that the Burmese Government may attack their headquarters at Myinhlut and have consequently moved to northern Maungdaw with their families. They have reached an understanding with Boh YAWSHEIK, a local bandit. KASIM's men will now be in a position to take refuge in Pakistan should the Government attack Maungdaw, to acquire arms and ammunition for gold or smuggled paddy, and to join forces with Boh YAWSHEIK in major operations.

34. A report from Akyab states that Bo KYAW TUN and 15 followers recently deserted the People's Volunteer Organization and joined Boh KASIM. These men are reported to be well trained in the use of 2-inch and 3-inch mortars. As a result Boh KASIM has offered high prices for mortars to add to his arsenal.

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35. Arakanese Communists are reliably reported to be in contact with the Communists in East Bengal from whom they receive arms, ammunition, and radio sets.

26 January 1951

36. Merchants in Mae Sot have purchased several trucks for use in their trade with KNDU insurgents in the Myawaddy area.

Week ending 27 January 1951

37. A report from the Upper Chindwin says that the Underground Communist Party of Manipur had sent two Manipur agents into Burma to contact the Burmese Communists

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38. A report from Akyab states that Boh KASIM seized a Burman in Pakistan territory. As a result of this incident Pakistan officials in Cox's Bazaar have warned Boh KASIM that if he or his followers cause any further trouble in Pakistan they will be shot dead.

Recently Boh KASIM has recruited some more men from Teknaf (near Maungdaw but in Pakistan)

39. About 15,000 Gurkhas from the Kachin State and Mytkyina have applied for Burmese citizenship.

40. The Viet Nam News Service (VNNS) is about to print a weekly news bulletin in Vietnamese with the title, Viet Nam Thong Tin for distribution in Rangoon and abroad. This publication will be directed more towards Vietnamese refugees in Thailand than those in Burma as the VNNS believes it important to keep these refugees informed of developments in the struggle between the Viet Minh forces and the French.

41. The Burmah Oil Company is planning to move its heavy equipment from the Syriam refinery to Chauk as it hopes to resume operations at Chauk in the near future. Chauk will be the main refining center while Syriam will be used principally for its storage facilities.

42. In order to expedite the arrival of war materiel in Bangkok which is being shipped in ever increasing quantities, the Thai Government is dredging the mouth of the Chao Phya River to enable large ocean-going steamers to reach Bangkok. At present this is only possible for medium sized ships.

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* ~~SECRET/CONTROL - U.S. OFFICIALS ONLY~~ Comment. In paragraph 31 it is not clear whether the remarks about Chinese candidates were prompted by jealousy or whether there really was a significant increase in the number of Chinese. If the latter, then it is possible that selected Chinese are being encouraged by interested parties to become proficient radio operators.

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